

Message Text

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SUBJECT: AUTOMOTIVE INDUSTRY

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1. A. LAGGING BEHIND THEIR WESTERN COUSINS IN PER
CAPITA OWNERSHIP AND IN THE QUALITY OF THE CARS THEY DRIVE,
THE EAST GERMANS HAVE NEVERTHELESS ENTERED THE MOTOR AGE WITH
GUSTO; AND OWNING A CAR IS AN INTEGRAL COMPONENT OF THE GOOD
LIFE IN THE GDR. GDR STATISTICS LIST 1,703,000 PASSENGER CARS
REGISTERED IN 1974, AND CLAIM AN INDEX OF 23.7 CARS PER 100
HOUSEHOLDS THAT YEAR. THE GDR AUTOMOTIVE INDUSTRY, WHICH HAS ROOTS IN

PRE-WAR GERMANY, PRODUCES A STEADILY INCREASING NUMBER OF
PASSENGER CARS, OF WHICH A CONSIDERABLE SHARE ARE EXPORTED,
MAINLY BUT NOT SOLELY TO EASTERN EUROPE, AND A CORRESPOND-
INGLY LARGE NUMBER OF EAST EUROPEAN CARS IMPORTED. IN
1975 THE GDR PRODUCED 160,000 PASSENGER CARS: 54,000
WARTBURGS AT THE WARTBURG DIVISION OF IFA (INDUSTRIEVERBAND
FAHRZEUGBAU DER DDR) IN EISENACH; AND 106,000 TRABANTS
AT THE IFA PLANT IN ZWICKAU. IN 1974, 154,600 PASSENGER
CARS WERE PRODUCED OF WHICH 75,000 WERE EXPORTED.
IN THE SAME YEAR 94,900 CARS WERE IMPORTED.

B. DESPITE THE HIGH PRICE OF PASSENGER AUTOMOBILES,
THERE IS GREAT EXCESS DEMAND AND THE WAITING PERIOD FOR
VIRTUALLY ALL EAST EUROPEAN CARS, INCLUDING THE TWO
EAST GERMAN CARS, THE SKODA S100 AND POLSKI FIATS, REMAINS
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ABOUT SEVEN YEARS. ONLY THE SOVIET MOSKVICH, ZAPOROZHIETS,

AND VOLGA CAN BE HAD CONSIDERABLY QUICKER, THE FIRST TWO BECAUSE OF REPORTED UNRELIABILITY, THE LATTER BECAUSE OF ITS HIGH INITIAL AND OPERATING COST. THE SOVIET ZHIGULI, IN CONTRAST, IS POPULAR, AND THE WAITING LIST LONG.

GASOLINE STATIONS ARE INVARIABLY CROWDED, BUT APPEAR TO BE ADEQUATE WITHIN LIMITS. A SINGLE AUTOMATIC CAR WASH IN EAST BERLIN IS CHROMICALLY OVERCROWDED, BUT ITS EXISTENCE IS INDICATIVE OF A MODEST INCLINATION ON THE PART OF ECONOMIC PLANNERS TO TAKE INTO ACCOUNT THE INTERESTS OF MOTORISTS.

C. THERE IS NO EVIDENCE THAT OIL PRICE INCREASES HAVE HAD ANY EFFECT ON THE DEMAND FOR PASSENGER CARS BY THE POPULATION; AND GASOLINE PRICES HAVE REMAINED CONSTANT AT 1.40 - 1.75 GDR MARKS PER LITER DEPENDING ON GRADE SINCE WELL BEFORE THE RISE IN PETROLEUM PRICES ON WORLD MARKETS. GDR OFFICIALS HAVE CLAIMED TO US THAT LESS THAN 10 PERCENT OF IMPORTED PETROLEUM IS USED FOR ENERGY, THE BALANCE SERVING AS RAW MATERIAL FOR THE PETROCHEMICAL INDUSTRY. A SHARE OF AUTOMOTIVE GASOLINE USED IN THE GDR IS APPARENTLY SYNTHESIZED LOCALLY FROM LIGNITE. RISES IN FUEL COSTS HAVE, HOWEVER, AFFECTED USE OF AUTOMOBILES WITHIN THE GOVERNMENT. WE HAVE BEEN TOLD, FOR EXAMPLE, THAT MOST OFFICIALS ARE NO LONGER PERMITTED TO CONDUCT OFFICIAL TRAVEL BETWEEN LEIPZIG AND BERLIN BY AUTOMOBILE, BUT ARE REQUIRED TO USE THE TRAIN.

D. A CAREFUL READING OF RECENT EVENTS AND THE RECENTLY PUBLISHED DIRECTIVES FOR THE 1976-80 FIVE YEAR PLAN SUGGEST THAT THE GOVERNMENT DOES NOT PLAN ANY MAJOR EXPANSION IN PASSENGER CAR PRODUCTION, BUT WILL PROBABLY LIMIT EXPANSION OF AUTOMOBILE PRODUCTION TO THE MINIMUM NECESSARY TO LEND SUBSTANCE TO THE GOVERNMENT'S CLAIMS OF A HIGH AND RISING STANDARD OF LIVING IN THE GDR. OFF-AGAIN, ON-AGAIN DISCUSSION OF A MAJOR GDR-CZECHOSLOVAK AUTO PROJECT (AT ONE TIME ALSO MENTIONED AS GDR-CZECHOSLOVAK-HUNGARIAN) IS OFF AGAIN, ACCORDING TO INFORMATION OBTAINED BY U.S. MACHINE TOOL INDUSTRY REPRESENTATIVES FROM THEIR EAST GERMAN MACHINE TOOL CONTACTS.

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E. WE ARE NOT AWARE OF ANY STATEMENTS THAT SUGGEST THE GOVERNMENT PLANS TO ASK PRIVATE MOTORISTS TO RESTRICT FUEL CONSUMPTION. ON THE OTHER HAND, A FUNDAMENTAL THEME OF THE CURRENT FIVE-YEAR PLAN IS CONSERVATION AND A MORE EFFICIENT USE OF MATERIAL RESOURCES, AND IT IS BY NO MEANS UNTHINKABLE THAT THE GOVERNMENT MIGHT TAKE STEPS TO INVOLVE PRIVATE MOTORISTS MORE FULLY IN THIS EFFORT.

F. OUR IMPRESSION, AS NOTED IN D ABOVE, IS THAT THE CLAIMS OF THE AUTOMOTIVE INDUSTRY ON OTHER SECTORS ARE BEING RESTRICTED AS MUCH AS IS COMPATIBLE WITH REGIME EFFORTS TO ASSURE ACCEPTABLE GROWTH IN THE GDR LIVING STANDARD.

2. LITERATURE IS DIRECTIVES FOR THE GDR FIVE YEAR PLAN, 1976-80, AND STATISTICHES JAHRBUCH DER DDR, 1975.

3. C-ER-6-50147. POLANSKY

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